

PUBLIC LAW 104-191—~~AUG. 21, 1996~~ 110 STAT. 2075

~~“(B) WAITING PERIOD NOT TREATED AS A BREAK IN COVERAGE.—~~ For purposes of subparagraph (A) and subsection (d)(4), any period that an individual is in a waiting period for any coverage under a group health plan or is in an affiliation period shall not be taken into account in determining the continuous period under subparagraph (A).

~~“(C) AFFILIATION PERIOD.—~~

~~“(i) IN GENERAL.—~~ For purposes of this section, the term ~~affiliation period~~ means a period which, under the terms of the health insurance coverage offered by the health maintenance organization, must expire before the health insurance coverage becomes effective. During such an affiliation period, the organization is not required to provide health care services or benefits and no premium shall be charged to the participant or beneficiary.

~~“(ii) BEGINNING.—~~ Such period shall begin on the enrollment date.

~~“(iii) RUNS CONCURRENTLY WITH WAITING PERIODS.—~~ Any such affiliation period shall run concurrently with any waiting period under the plan.

~~“(3) METHOD OF CREDITING COVERAGE.—~~

~~“(A) STANDARD METHOD.—~~ Except as otherwise provided under subparagraph (B), for purposes of applying subsection (a)(3), a group health plan shall count a period of creditable coverage without regard to the specific benefits for which coverage is offered during the period.

~~“(B) ELECTION OF ALTERNATIVE METHOD.—~~ A group health plan may elect to apply subsection (a)(3) based on coverage of any benefits within each of several classes or categories of benefits specified in regulations rather than as provided under subparagraph (A). Such election shall be made on a uniform basis for all participants and beneficiaries. Under such election a group health plan shall count a period of creditable coverage with respect to any class or category of benefits if any level of benefits is covered within such class or category.

~~“(C) PLAN NOTICE.—~~ In the case of an election with

respect to a group health plan under subparagraph (B), the plan shall—

"(i) prominently state in any disclosure statements concerning the plan, and state to each enrollee at the time of enrollment under the plan, that the plan has made such election, and
"(ii) include in such statements a description of the effect of this election.

"(4) ESTABLISHMENT OF PERIOD.—Periods of creditable coverage with respect to an individual shall be established through presentation of certifications described in subsection (e) or in such other manner as may be specified in regulation.

"(d) EXCEPTIONS.—

"(1) EXCLUSION NOT APPLICABLE TO CERTAIN NEWBORNS.—Subject to paragraph (4), a group health plan may not impose any preexisting condition exclusion in the case of an individual who, as of the last day of the 30-day period beginning with the date of birth, is covered under creditable coverage.